GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2849
ANSWERED ON:19.03.2008
REPORT ON PUBLIC DISTRIBUTION SCHEMES
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Will the Minister of PLANNING be pleased to state:

(a) the major findings of the study report prepared by the Planning Commission regarding Public Distribution Scheme;

(b) the main recommendations of the report of Programme Evaluation Organisation (PEO) in this regard;

(c) whether the Government has proposed to make Government officials accountable for more transparency in implementation of welfare schemes and provided for penal action against officials found indulging in pilferage and diversion of foodgrains meant for the poor under PDS;

(d) if so, the details thereof;

(e) whether the Government has proposed to do away with the subsidies regime; and

(f) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V.RAJASEKHARAN)

(a) : The main findings contained in the Report on Performance Evaluation of Targeted Public Distribution System (TPDS) prepared by the Programme Evaluation Organisation (PEO) of the Planning Commission are the following:

(i) The implementation of TPDS is adversely affected by targeting errors, prevalence of ghost cards and unidentified households;

(ii) Though the off-take per household has shown some improvement under TPDS, yet only about 57% of the BPL households are covered by it;

(iii) The Fair Price Shops are generally not viable because of low annual turnover and they remain in business through leakages and diversions of subsidized grains;

(iv) Leakages and diversions of subsidized grains are large and only about 42% of subsidized grains issued from the Central Pool reaches the target group; and

(v) The cost of income transfer to the poor through PDS is much higher than that through other modes.

(b) : The main recommendations of the Report of PEO on TPDS are the following:-

(i) The performance of TPDS can be improved if some corrective measures are taken to reduce delivery cost, bring in transparency in the delivery mechanism and make the operation of retail outlets financially viable;

(ii) To minimize leakages at Fair Price Shops (FPS) level and ensure their transparent operation, these retail outlets must be made financially viable.

(iii) The Panchayati Raj Institutions (PRIs) must be empowered to inspect the accounts/transaction records of FPSs and satisfy themselves about transparent functioning of FPSs.

(iv) There is a need for bringing down the economic cost of food grains distributed under TPDS through rationalization of cost structure of handling foodgrains through public agencies.

(c)& (d):The main responsibility for prevention of diversion of pilferage of foodgrains vests with the concerned State Governments and UT Administrations, since matters relating to allocation of foodgrains within the State/UT, issue of ration cards and supervision of the functioning of Fair Price Shops come within their purview. As far as taking action against officials indulging in pilferage and diversion of foodgrains, any such case brought to the notice of Ministry of Consumer Affairs, Food & Public Distribution is forwarded by that Ministry to the concerned State Governments for taking suitable action against the concerned officials under the Essential Commodities Act, 1955. In order to make implementation of TPDS more transparent, a revised Citizens' Charter has been issued

recently by Ministry of Consumer Affairs, Food & Public Distribution for adoption and implementation by the State/UT Governments for facilitating use by the citizens of the provisions of the Right to Information Act in relation to functioning of TPDS.

(e)& (f): Finance Minister in the Budget Speech 2008-09 has, inter-alia, stated that a sum of Rs.32,667 crore is being provided next year for food subsidy under the Public Distribution System (PDS) and other welfare programmes. Besides, he stated that strengthening the PDS would mean adequate supplies, reasonable subsidies and efficient delivery of the subsidized food.